



N.C. Department of Health
and Human Services

Update on Select Topics

October 8, 2013

Secretary Aldona Wos, M.D.



Medicaid Reform

Goals

- Better quality and health outcomes for beneficiaries
- Costs controlled and budget predictability
- Build upon existing infrastructure and strengths of NC's healthcare providers

Design

- Meet both urban and rural healthcare needs
- Competitive model with choices for providers and beneficiaries

Action

- Continue engaging all stakeholders
- Strengthen Medicaid operations, finances, and forecasting
- Deliver proposal on schedule March 17, 2014

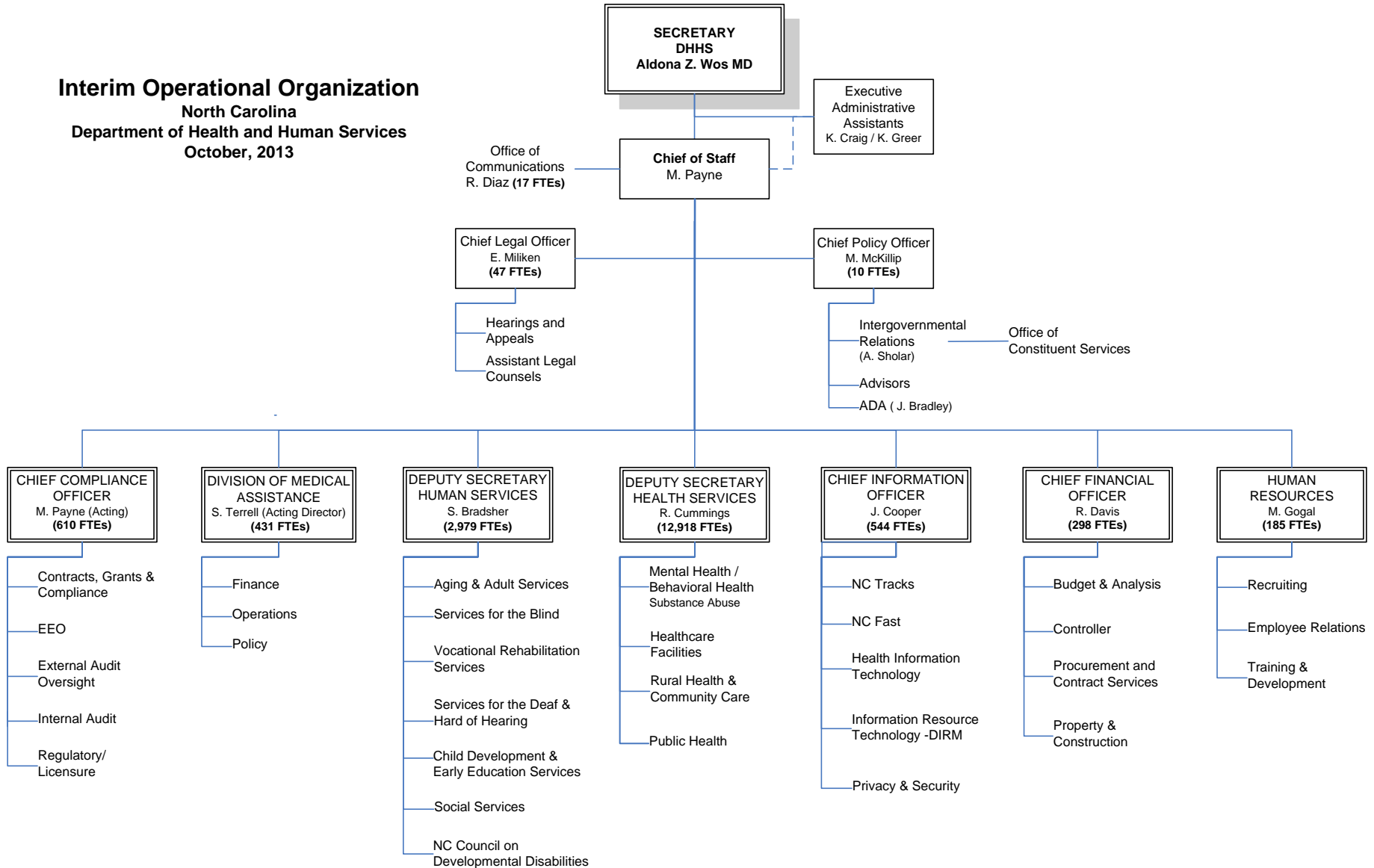


N.C. Department of Health
and Human Services

Department Reorganization

Mark Payne, Chief of Staff

Interim Operational Organization
North Carolina
Department of Health and Human Services
October, 2013





Workforce Overview

- Approximately 18,000 positions in the department
 - 16,500 filled and 1,500 vacancies
- Employee base salary range is \$22,332 to \$268,180
- Average age of workforce is 47
- Youngest Employee: 18 Oldest Employee: 85
- 2.8% of positions are designated exempt
- Since January, over 1,650 DHHS employees have left the department. As of October 4, DHHS has added 1,300 new staff.



Filling Positions in DHHS

Positions in DHHS are filled using OSHR policies and processes

Category of Position	Example	Recruitment	Selection
Subject to SHRA (State Human Resources Act) - 97.2% of the workforce	Healthcare Technician	Posting required using OSHR's NeoGov system	From most qualified applicants
Exempt Managerial Subject to certain provisions of SHRA; serves at the pleasure of Secretary – 2.5% of workforce	Nurse Director	Posting required using OSHR's NeoGov system	From most qualified applicants
Exempt Policy-making Subject to certain provisions of SHRA; serves at the pleasure of Secretary - 0.3% of workforce	Director, Division of Social Services	No posting required	Leadership's preference based upon organization need
Other Statutory Exempt Subject to certain provisions of SHRA; serves at the pleasure of Secretary – < 0.1% of workforce	Confidential Administrative Assistant	No posting required	Leadership's preference based upon organization need



Salaries & Contracts

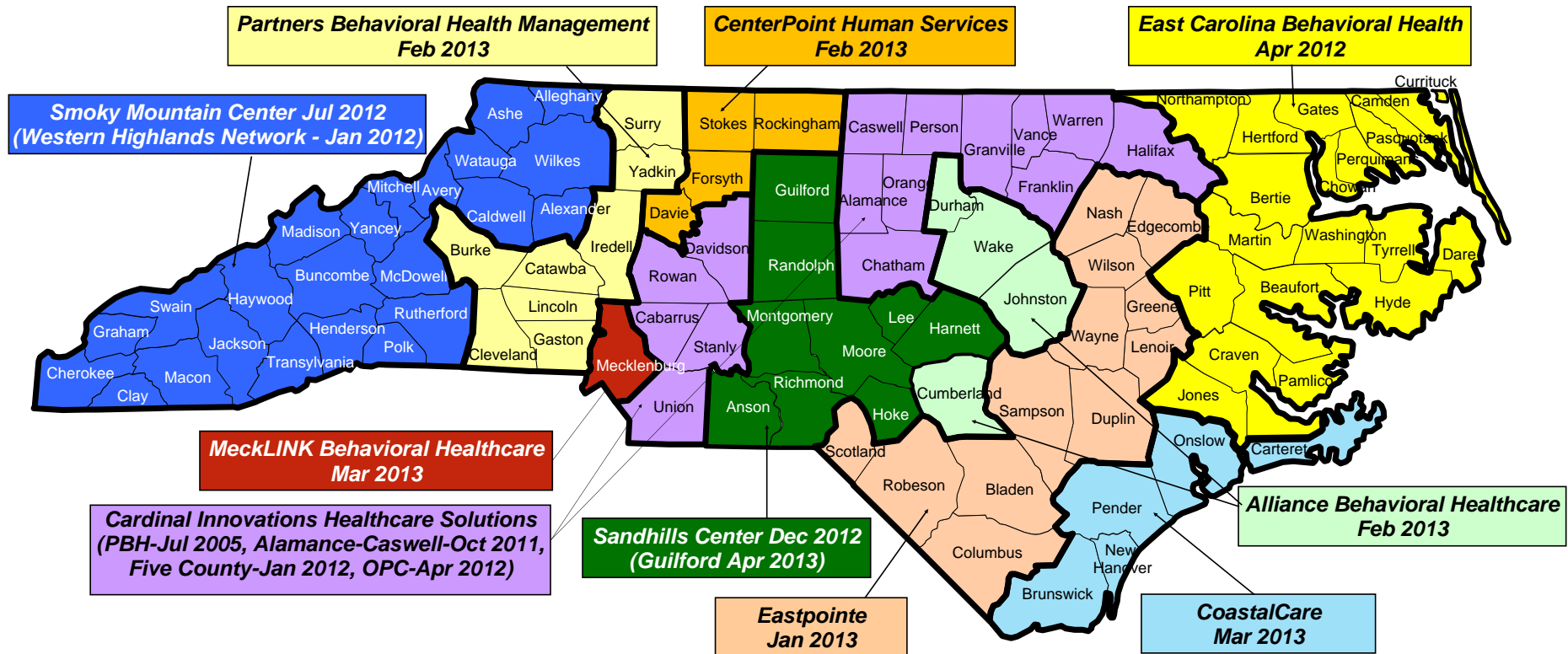
- Salaries for filling open positions are determined based on:
 - The position's responsibilities and critical skills needed
 - The individual's qualifications, education, competencies, relevant experience, etc.
 - In accordance with the existing OSHR salary administration guidelines, policies, and procedures
- Personal Services Contracts
 - Used to bring in talented individuals with needed expertise on a time-limited basis (for a specific period of time) when no such talent is readily available inside the department
 - In accordance with previously existing policy and procedures



Local Management Entity/Managed Care Organization (LME-MCOs)

- As directed by 2011 legislation, all 100 counties completed transition to the managed care services for Medicaid behavioral health services as of April 1, 2013
- LME-MCOs are responsible for coordinating over \$2 billion in Medicaid funds and over \$300 million in additional state and federal funds.

Local Management Entity - Managed Care Organizations (LME-MCOs) and 1915 b/c Medicaid Waiver Implementation Dates



- Reflects LME-MCOs as of 10/1/13.
- Western Highlands Network operating under a management agreement 10/1/13, merger date 7/1/14.



Telepsychiatry

- Goal: improve access to mental health professionals and improve quality of care in underserved areas.
- Finalized two year contract East Carolina University (ECU) to operationalize a Statewide Telepsychiatry Program.
- 18 Hospitals participating; 43 additional hospitals on waiting list.



Personal Care Services

- Personal Care Services provide assistance with Activities of Daily Living (ADLs): Bathing, Dressing, Toileting, Eating, Mobility
- S.L. 2013-306 provides up to 50 additional hours for qualified individuals
- Important for those with Alzheimer's and dementia



Personal Care Services: S.L. 2013-306

- *“The Department of Health and Human Services shall reduce the rate for personal care services in order to fund the additional service hours authorized in Section 1 of this act and in order to remain within the budgeted amount of funds for personal care services.”*
- DHHS monitoring expenditures and utilization to determine if rate may be modified



Personal Care Services: Rates

Rate submitted to federal government:

- First Quarter Rate (July 1 – Sept. 30): \$15.52
- Oct. 1 Rate: \$13.12
- Annualized Average: \$13.72

Factors for rate: *timing of the start date and new information on increased utilization patterns, pending appeals, and cases in litigation*



Drug Testing for Public Assistance (Session Law 2013-417)

- Coordinating with the Social Services Commission on rule-making and timeframes and researching policies & procedures of other states (Arizona & Utah)
- Working with counties to get more thorough understanding of implementation and cost.
- Will report back to General Assembly during the Short Session, including on any additional costs.



State Plan Amendments (SPAs)

- Total SPAs submitted in 2011: 58
- Total SPAs to submit this fiscal year: Over 95
 - State mandated: Over 51 (30 currently submitted)
 - Mandated by Affordable Care Act: 44 (19 submitted)



Non-emergency Medical Transportation (NEMT)

- The General Assembly called upon DHHS to study the merits of a statewide brokerage model for managing NEMT.
- DHHS determined a brokerage model would not result in savings and made decision to maintain operation of the current system at the county level.
- **Next Steps:** identify and share best practices for operational efficiencies, costs savings and, improved customer service; conduct FY14 monitoring of all 100 counties for compliance with 2012 policy changes; and evaluate expenditure data on a county-by-county basis.